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DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-057]

Certain Tool Chests and Cabinets from the People's Republic of China: Countervailing Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: Based on affirmative final determinations by the Department of Commerce (Commerce) and the International Trade Commission (ITC), Commerce is issuing the countervailing duty order on certain tool chests and cabinets (tool chests) from the People's Republic of China (China).

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Hermes Pinilla or Thomas Schauer, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington DC 20230; telephone (202) 482-3477 or (202) 482-0410, respectively.

SUPPLEMENTARY INFORMATION:

Background

In accordance with section 705(d) of the Tariff Act of 1930, as amended (the Act), on November 29, 2017, Commerce published its affirmative final determination that countervailable subsidies are being provided to producers and exporters of tool chests from China.<sup>1</sup>

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<sup>1</sup> See *Certain Tool Chests and Cabinets from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 82 FR 56582 (November 29, 2017) (*Final Determination*) and accompanying Issues and Decision Memorandum.

On January 16, 2018, the ITC notified Commerce of its affirmative determination that an industry in the United States is materially injured within the meaning of section 705(b)(1)(A)(i) of the Act, by reason of subsidized imports of subject merchandise from China.<sup>2</sup>

#### Scope of the Order

The scope of this order covers tool chests from China. For a complete description of the scope of the order, *see* Appendix to this notice.

#### Countervailing Duty Order

On January 16, 2018, in accordance with sections 705(b)(1)(A)(i) and 705(d) of the Act, the ITC notified Commerce of its final determination in this investigation, in which it found that an industry in the United States is materially injured by reason of imports of tool chests from China.<sup>3</sup> Therefore, in accordance with section 705(c)(2) of the Act, Commerce is issuing this countervailing duty order. Because the ITC determined that imports of tool chests from China are materially injuring a U.S. industry, unliquidated entries of such merchandise from China, entered or withdrawn from warehouse for consumption, are subject to the assessment of countervailing duties.

Therefore, in accordance with section 706(a) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to assess, upon further instruction by Commerce, countervailing duties for all relevant entries of tool chests from China. Countervailing duties will be assessed on unliquidated entries of tool chests from China entered, or withdrawn from warehouse, for consumption on or after September 15, 2017, the date of publication of the *Preliminary Determination*<sup>4</sup> but will not include entries occurring after the expiration of the

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<sup>2</sup> See ITC Letter concerning imports of tool chests and cabinets from China, dated January 16, 2018 (ITC Letter).

<sup>3</sup> See ITC Letter.

provisional measures period and before publication of the ITC's final injury determination as further described below.

#### Suspension of Liquidation

In accordance with section 706 of the Act, Commerce will instruct CBP to reinstitute the suspension of liquidation of tool chests from China. We will also instruct CBP to require, pursuant to section 706(a)(1) of the Act, countervailing duties for each entry of the subject merchandise in an amount based on the net countervailable subsidy rates for the subject merchandise. These instructions suspending liquidation will remain in effect until further notice. The all-others rate applies to all producers and exporters of subject merchandise not listed in the following table.

<b>Company</b>	<b>Subsidy Rate (Percent)</b>
Jiangsu Tongrun Equipment Technology Co., Ltd. <sup>5</sup>	15.09
Zhongshan Geelong Manufacturing Co., Ltd.	14.03
Allround Hardware Co., Ltd.	95.96
Beijing Kang Jie Kong International Cargo Agent Co., Ltd.	95.96
Changshu Zhongcheng Tool Box Co., Ltd.	14.39
Changzhou City Hongfei Metalwork Corporation	95.96
Changzhou Machan Steel Furniture Co., Ltd.	14.39
China National Electronics Import and Export Ningbo Co.	95.96

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<sup>4</sup> See *Certain Tool Chests and Cabinets from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination*, 82 FR 43331 (September 15, 2017) (*Preliminary Determination*) and accompanying Preliminary Decision Memorandum.

<sup>5</sup> As indicated in the *Final Determination*, Jiangsu Tongrun Equipment Technology Co., Ltd.'s cross-owned affiliates include the following entities: Changshu Jack Factory, Changshu Tongrun Taron Import and Export Co., Ltd., (also known as Changshu Tongrun Equipment Co., Ltd.), Changshu Tongrun Mechanical & Electrical Equipment Manufacture Co., Ltd., Changshu Taron Machinery Equipment Manufacturing Co., Ltd., and Changshu General Electrical Factory Co., Ltd.

Foshan Lishida Metal Products Co., Ltd.	95.96
Gem-Year Industrial Co., Ltd.	95.96
Guangdong Hisense Home Appliances Co., Ltd.	14.39
Guerjie Enterprise Co., Ltd.	95.96
Haiyan Dingfeng Fasteners Ltd.	95.96
Hangzhou Xiaoshan Import and Export Trading Co., Ltd.	95.96
Hyxion Metal Industry	14.39
Jiaxing Pinyou Import & Export Co., Ltd.	95.96
Jin Rong Hua Le Metal Manufactures Co., Ltd.	14.39
Jinhua JG Tools Manufacturing Co.	14.39
Jinhua Yahu Tools Co., Ltd.	14.39
Keesung Manufacturing Co., Ltd.	14.39
Kingstar Tools Co., Ltd.	95.96
Liyang Flying Industry Co., Ltd.	95.96
Meridian International Co., Ltd.	14.39
Ningbo Better Design Industry Co., Ltd.	95.96
Ningbo Hualei Tool Co., Ltd.	95.96
Ningbo Jiufeng Electronic Tools	95.96
Ningbo Safewell International Holding Corp.	14.39
Ningbo Xiunan International Co., Ltd.	95.96
Pinghu Chenda Storage Office Equipment Co., Ltd	14.39
Pooke Technology Co., Ltd.	14.39
Shanghai All-Fast International Trade Co., Ltd.	14.39
Shanghai All-Hop Industry Co., Ltd.	14.39
Shanghai Delta International Trading	95.96
Shanghai Fairlong International Trading Co., Ltd.	95.96
Shanghai ITPC Hardware Co., Ltd.	14.39
Shanghai Legsteel Metal Products Co., Ltd.	95.96

Shanghai Tung Hsing Technology Inc.	95.96
Shining Golden Yida Welding & Cutting Machinery Manufacture Ltd.	95.96
Suzhou Aomeijia Metallic Products Co., Ltd.	95.96
Suzhou Goldenline Machinery Co., Ltd.	95.96
Suzhou Xindadi Hardware Co., Ltd.	14.39
Taixing Hutchin Mfg. Co., Ltd.	14.39
Tong Ming Enterprise (Jiaxing) Co., Ltd.	95.96
Trantex Product (Zhong Shan) Co., Ltd.	14.39
Wuyi Yunlin Steel Products Co., Ltd.	95.96
Yangzhou Huayu Pipe Fitting Co., Ltd.	95.96
Yangzhou Triple Harvest Power Tools Limited	14.39
Zhangjiagang Houfeng Machinery Co., Ltd.	95.96
Zhejiang KC Mechanical & Electrical	95.96
Zhejiang Zhenglian Corp.	95.96
Zhuhai Shichang Metals Ltd.	95.96
All-Others	14.39

### Provisional Measures

Section 703(d) of the Act states that instructions issued pursuant to an affirmative preliminary determination may not remain in effect for more than four months. In the underlying investigation, Commerce published the *Preliminary Determination* on September 15, 2017. As such, the four-month period beginning on the date of the publication of the *Preliminary Determination* ended on January 12, 2018. Furthermore, section 707(b) of the Act states that definitive duties are to begin on the date of publication of the ITC's final injury determination.

Therefore, in accordance with section 703(d) of the Act and our practice, we instructed CBP to terminate the suspension of liquidation and to liquidate, without regard to countervailing

duties, unliquidated entries of tool chests from China entered, or withdrawn from warehouse, for consumption, after January 12, 2018, the date the provisional measures expired, until and through the day preceding the date of publication of the ITC's final injury determination in the *Federal Register*. Suspension of liquidation will resume on the date of publication of the ITC's final determination in the *Federal Register*.

#### Notifications to Interested Parties

This notice constitutes the countervailing duty order with respect to tool chests from China pursuant to section 706(a) of the Act. Interested parties can find a list of countervailing duty orders currently in effect at <http://enforcement.trade.gov/stats/iastats1.html>.

This order is issued and published in accordance with section 706(a) of the Act and 19 CFR 351.211(b).

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Gary Taverman  
Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations,  
performing the non-exclusive functions and duties of the  
Assistant Secretary for Enforcement and Compliance

January 19, 2018

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Date

## Appendix

### Scope of the Order

The scope of this order covers certain metal tool chests and tool cabinets, with drawers, (tool chests and cabinets), from the People's Republic of China (the PRC) and the Socialist Republic of Vietnam (Vietnam). The scope covers all metal tool chests and cabinets, including top chests, intermediate chests, tool cabinets and side cabinets, storage units, mobile work benches, and work stations and that have the following physical characteristics:

- (1) a body made of carbon, alloy, or stainless steel and/or other metals;
- (2) two or more drawers for storage in each individual unit;
- (3) a width (side to side) exceeding 15 inches for side cabinets and exceeding 21 inches for all other individual units but not exceeding 60 inches;
- (4) a body depth (front to back) exceeding 10 inches but not exceeding 24 inches; and
- (5) prepackaged for retail sale.

For purposes of this scope, the width parameter applies to each individual unit, *i.e.*, each individual top chest, intermediate top chest, tool cabinet, side cabinet, storage unit, mobile work bench, and work station.

Prepackaged for retail sale means the units may, for example, be packaged in a cardboard box, other type of container or packaging, and may bear a Universal Product Code, along with photographs, pictures, images, features, artwork, and/or product specifications. Subject tool chests and cabinets are covered whether imported in assembled or unassembled form. Subject merchandise includes tool chests and cabinets produced in the PRC or Vietnam but assembled, prepackaged for retail sale, or subject to other minor processing in a third country prior to importation into the United States. Similarly, it would include tool chests and cabinets produced in the PRC or Vietnam that are assembled, prepackaged for retail sale, or subject to other minor processing after importation into the United States.

Subject tool chests and cabinets may also have doors and shelves in addition to drawers, may have handles (typically mounted on the sides), and may have a work surface on the top. Subject tool chests and cabinets may be uncoated (*e.g.*, stainless steel), painted, powder coated, galvanized, or otherwise coated for corrosion protection or aesthetic appearance.

Subject tool chests and cabinets may be packaged as individual units or in sets. When packaged in sets, they typically include a cabinet with one or more chests that stack on top of the cabinet. Tool cabinets act as a base tool storage unit and typically have rollers,

casters, or wheels to permit them to be moved more easily when loaded with tools. Work stations and mobile work benches are tool cabinets with a work surface on the top that may be made of rubber, plastic, metal, wood, or other materials.

Top chests are designed to be used with a tool cabinet to form a tool storage unit. The top chests may be mounted on top of the base tool cabinet or onto an intermediate chest. They are often packaged as a set with tool cabinets or intermediate chests, but may also be packaged separately. They may be packaged with mounting hardware (*e.g.*, bolts) and instructions for assembling them onto the base tool cabinet or onto an intermediate tool chest which rests on the base tool cabinet. Smaller top chests typically have handles on the sides, while the larger top chests typically lack handles. Intermediate tool chests are designed to fit on top of the floor standing tool cabinet and to be used underneath the top tool chest. Although they may be packaged or used separately from the tool cabinet, intermediate chests are designed to be used in conjunction with tool cabinets. The intermediate chests typically do not have handles. The intermediate and top chests may have the capability of being bolted together.

Side cabinets are designed to be bolted or otherwise attached to the side of the base storage cabinet to expand the storage capacity of the base tool cabinet.

Subject tool chests and cabinets also may be packaged with a tool set included. Packaging a subject tool chest and cabinet with a tool set does not remove an otherwise covered subject tool chest and cabinet from the scope. When this occurs, the tools are not part of the subject merchandise.

All tool chests and cabinets that meet the above definition are included in the scope unless otherwise specifically excluded.

Excluded from the scope of the order are tool boxes, chests, and cabinets with bodies made of plastic, carbon fiber, wood, or other non-metallic substances.

Also excluded from the scope of the order are industrial grade steel tool chests and cabinets. The excluded industrial grade steel tool chests and cabinets are those:

- (1) having a body that is over 60 inches in width; or
- (2) having each of the following physical characteristics:
  - (a) a body made of steel that is 0.047 inches or more in thickness;
  - (b) a body depth (front to back) exceeding 21 inches; and
  - (c) a unit weight that exceeds the maximum unit weight shown below for each width range:

Weight to Width Ratio	Weight to Width Ratio
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Tool Chests		Tool Cabinets	
Inches	Maximum Pounds	Inches	Maximum Pounds
21 > ≤ 25	90	21 > ≤ 25	155
25 > ≤ 28	115	25 > ≤ 28	170
28 > ≤ 30	120	28 > ≤ 30	185
30 > ≤ 32	130	30 > ≤ 32	200
32 > ≤ 34	140	32 > ≤ 34	215
34 > ≤ 36	150	34 > ≤ 36	230
36 > ≤ 38	160	36 > ≤ 38	245
38 > ≤ 40	170	38 > ≤ 40	260
40 > ≤ 42	180	40 > ≤ 42	280
42 > ≤ 44	190	42 > ≤ 44	290
44 > ≤ 46	200	44 > ≤ 46	300
46 > ≤ 48	210	46 > ≤ 48	310
48 > ≤ 50	220	48 > ≤ 50	320
50 > ≤ 52	230	50 > ≤ 52	330
52 > ≤ 54	240	52 > ≤ 54	340
54 > ≤ 56	250	54 > ≤ 56	350
56 > ≤ 58	260	56 > ≤ 58	360
58 > ≤ 60	270	58 > ≤ 60	370

Also excluded from the scope of the order are service carts. The excluded service carts have all of the following characteristics:

- (1) casters, wheels, or other similar devices which allow the service cart to be rolled from place to place;
- (2) an open top for storage, a flat top or flat lid on top of the unit that opens;
- (3) a space or gap between the casters, wheels, or other similar devices, and the bottom of the enclosed storage space (e.g., drawers) of at least 10 inches; and
- (4) a total unit height, including casters, of less than 48 inches.

Also excluded from the scope of the order are non-mobile work benches. The excluded non-mobile work benches have all of the following characteristics:

- (1) a solid top working surface;
- (2) no drawers, one drawer, or two drawers in a side-by-side configuration; and
- (3) the unit is supported by legs and has no solid front, side, or back panels enclosing the body of the unit.

Also excluded from the scope of the order are metal filing cabinets that are configured to hold hanging file folders and are classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheading 9403.10.0020.

Merchandise subject to the order is classified under HTSUS categories 9403.20.0021, 9403.20.0026, 9403.20.0030 and 7326.90.8688, but may also be classified under HTSUS category 7326.90.3500. While HTSUS subheadings are provided for convenience and Customs purposes, the written description of the scope of this order is dispositive.

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